

## Bolton Capital Planning Committee

### Meeting Minutes

November 12, 2015

Bolton Town Office

**Members Present:** Ray Atwood, Linda Baker (Planning Commission), John Devine, Jen Dudley-Gaillard (Select Board), Sharon Murray (Select Board), Pete Siegel

**Members Absent:** Joss Besse (Chair), Joe Colangelo

**Also Present:** Eric Andrews, Road Foreman

**Meeting materials:** Draft meeting minutes (Oct 2015); updated debt service chart (Nov 2015), draft capital program and budget policy (Nov 2015), draft project worksheet (Nov 2015), updated public works capital assets list (Nov 2015).

1. **Call to Order.** Jen Dudley-Gaillard, Acting Chair, called the meeting to order at 5:35 pm, and reviewed the meeting agenda as warned. No changes to the agenda were requested. Sharon apologized for not getting meeting materials out a week in advance as requested.
2. **Public Comment.** None.
3. **Meeting Minutes.** Pete made the motion “to accept the minutes of the October 6, 2015 meeting as presented.” Seconded by John. Motion passed unanimously.
4. **2016 Truck Lease.** Jen updated the committee on the Select Board’s recent decision to enter into a 5-year lease-to-own agreement on a 2016 International Truck through Clark’s, to replace the 2008 International as discussed at the committee’s last meeting, with delivery expected in January. Committee recommendations—including leasing and use of a portion of the reserve fund as a down payment—were forwarded to and considered by the Select Board in making this decision. Given the problems we’ve been having with the 2008, it was also decided to keep the 2001 truck as backup until the 2016 arrived, and then sell it. Sharon noted that a town vote was not required to enter into the lease agreement, but lease payments included in the operational budget are subject to annual voter approval. She also confirmed that, for capital budgeting and programming purposes, these types of lease payments are considered a form of debt service.
5. **CIP Policy (Draft).** Sharon distributed a draft CIP policy for committee review that also incorporates related debt service policies. She and Joss developed this using VLCT models discussed at the last meeting, and policies from other towns. She also provided an updated debt service graph that included estimated 2016 truck lease payments. The committee did an initial walk-through of the draft, noting that:
  - Additional discussion is needed regarding whether to also consider an estimate of associated lifecycle or operating costs in the CIP—i.e. the “future financial resources required to operate and maintain capital assets.” On one hand this may complicate the process; on the other, for some assets operating and maintenance costs (e.g., energy/fuel, parts) may be significant. The committee recommended keeping the CIP as simple as possible the first time out, instead noting this as a consideration under related town acquisition/procurement policies.

- At this point it was recommended not to redefine the town’s current capital asset policy/definition (> \$5,000, with a life expectancy of more than one-year) for different types of capital assets (e.g., buildings, infrastructure v. equipment)—again to simplify the process.
- Priority criteria for project scheduling should be reviewed in more detail (e.g., in relation to priorities listed on the draft worksheet) and clearly listed in order of priority. The need for an equipment replacement policy/schedule was again noted.
- The committee generally agreed with priority criteria for project financing – giving priority to outside sources (grants, state and federal aid, etc.) where available.
- Use of capital reserve funds—to either “reduce” (p.3, line 19) or “minimize” (p.3, line 29) long-term debt—should be clarified for consistency.
- More information is needed in order to recommend reasonable debt service limits for the town. As a percentage of Bolton’s relatively small operating budget 10% (~\$100,000), as generally recommended may be too low (we’re currently a 11-12%), but 20% is clearly too high. Reserve funds should be used and maintained at sufficient levels to avoid exceeding debt service limits.
- Regarding “per capita” (per person) debt levels, if included consider basing this on total town voters or households, rather than total population.
- Need more information regarding the the town’s grand list, trends.

Sharon will work with Joss to provide more information regarding grand list, past trends in town budgets, debt service levels, etc. for the next meeting. Committee members were asked to review and mark up the November draft in more detail, following closer reading.

**6. Capital Assets—Public Works.** Sharon reported that she, Joss and Eric had met on October 23<sup>rd</sup> to review and inspect the town garage and highway equipment, and to discuss related capital needs. The public works assets inventory has been updated to include meeting notes for each, and additional needs. Of particular note:

- The 2004 dump truck is overdue for replacement—it should be replaced in the next year or two.
- The warranty on the 2013 Dodge Ram (1-ton) runs out in 2018. Eric noted that it has also had a number of recalls. The plow purchased with the truck should last until the truck is replaced.
- The 2000 Kawasaki loader may also need to be replaced within the next 5 years.
- The 1999 grader is old, but still serviceable – it shouldn’t need to be replaced in the next 5 years.
- The town garage (and salt shed) are below the base flood elevation, and flooded in 2011 during Irene; repairs were done in-house. The roof has been repaired twice, following wind damage.
- The fuel shed attached to the garage needs to be brought up to code (sprinkler, containment systems).
- A new lighting system for the garage is needed. Initial estimate of \$20,000, but there may be other options, e.g., through Efficiency Vermont.
- Eric recommended the purchase of portable traffic light system (\$10,000) for use during road repairs to address safety hazards, given a two-man road crew. Insurance will cover 50% of cost. Given that this would avoid the need to hire flaggers, it should pay for itself.
- Future: an additional bay and wash station are needed to house and wash vehicles and equipment indoors during winter months.
- Future: consider floodproofing garage, salt shed if grants are available to cover the cost.

The committee again discussed the need to get back onto a regular replacement schedule, e.g., tied to warranty coverage, that also maximizes trade-in value. The committee asked to review a draft equipment replacement policy/schedule at an upcoming meeting.

7. **CIP Project Work Sheet (Draft).** Sharon distributed a draft project worksheet for use in identifying capital projects and associated scheduling priorities for use in preparing the CIP, with notes from Joss regarding the mix of timing and priorities. Eric noted that he had not yet had time to test the draft project worksheet for listed projects, but would get to this prior to the committee's next meeting. To be reviewed in more detail in an upcoming meeting.
8. **Next Steps.** Items identified for consideration at the next meeting: draft CIP and debt service policy (continued); project/equipment work sheet template (continued); draft equipment replacement schedule/policy (new) and a listing of capital budget (1-year) projects for inclusion in the town's upcoming (FY17) budget (new). Sharon noted that she and Joss still need to schedule meetings with office and fire department staff re the FY17 capital budget.
9. **Adjournment.** Ray moved to adjourn the meeting. Seconded by Pete. Motion passed unanimously; meeting adjourned at 7:45 pm. The next meeting of the committee is tentatively scheduled for Thursday, December 10<sup>th</sup>, 5:30 pm at the Bolton Town Office; to be confirmed with the Chair when he returns. Linda will be available via Skype, if this can be arranged. The December meeting will be noticed as scheduled by the Chair.

Respectfully submitted,

Sharon Murray  
Committee Clerk

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*Minutes are in draft form until approved by the committee.*  
As approved on December 10, 2015.